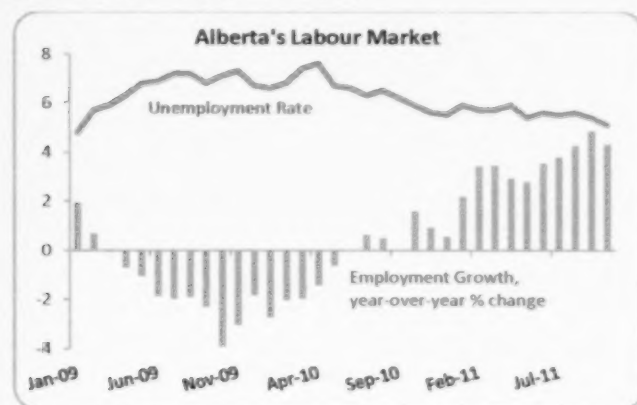


Labour Force

Alberta's labour market continues to outperform...

The province continued to add jobs in October. Alberta gained 7,500 jobs last month, representing the sixth consecutive monthly increase. The uptick comes despite a drop of 54,000 in national employment. Alberta has experienced the strongest job growth in Canada on a year-over-year basis with gains of 4.3% compared to 1.4% nationally. Due to solid job growth, Alberta has the second lowest unemployment rate in Canada, at 5.1% down from 5.4% in September (the national rate increased from 7.1% to 7.3% over the same period).

In October, the private sector fuelled Alberta's job gains with agriculture, utilities, and oil and gas seeing the largest percentage increases. However, other details of the Alberta jobs report were less favorable: all the job gains were concentrated in part-time positions last month, more than offsetting a decline in full-time jobs.



Gross domestic product by industry

Canada's economy expands in August...

Canadian real GDP increased 0.3% in August, building on a 0.4% gain the month prior. The GDP report suggests that Canada's economy will register a strong rebound in the third quarter after a mild contraction in the second quarter. However, August GDP growth was uneven, with the energy sector (+2.8%) fuelling most of the gains. In fact, when the energy sector is excluded from the data, real GDP was unchanged.

Building Permits

Value of building permits declines...

The value of building permits, an indicator of future construction activity, declined in Alberta and Canada in September. Alberta building permits were down 9.4% to \$1.1 billion, due entirely to a large drop (-22.8%) in non-residential

Canadian Dollar (US\$/C\$)

November 4, 2011	98.23
October 28, 2011	100.43
2011-12 Fiscal YTD Average	101.95

WTI Oil US\$/bbl*

November 4, 2011	\$94.26
October 28, 2011	\$93.32
2011-12 Fiscal YTD Average	\$94.51

Nymex Natural Gas US\$/MMBtu*

November 4, 2011	\$3.78
October 28, 2011	\$3.92
2011-12 Fiscal YTD Average	\$4.12

*Based on the closing price of the near month contract

permits. Meanwhile, Canada's permits decreased 4.9% to \$5.6 billion in September.

Industrial product (IPPI) and raw materials (RMPI) prices Prices for industrial products and raw materials rise ...

Industrial and material prices jumped in September. The IPPI rose 0.4% during the month, bolstered by higher prices for motor vehicles (1.3%) and wood products (1.0%). Following four consecutive monthly declines, the RMPI increased 1.4% in September. However, the gain was entirely due to energy prices, as the RMPI excluding mineral fuels decreased 1.0% in September. The RMPI sits 9.9% below its April 2011 peak.

US Economy

The US posts modest job gains ...

The US added 80,000 jobs in October, pushing the US unemployment rate down from 9.1% to 9.0%, a six-month low. All of the job growth came from the private sector and August and September's employment numbers were upwardly revised by a total of 102,000.

Euro-zone

Greek politics increase uncertainty in Europe...

After the glimmer of hope in the rescue package agreed to last week, Europe was once again in crisis mode after the Greek Prime Minister announced a national referendum on the EU bailout plan. It now appears that no referendum will be held, but uncertainty is elevated in Greece and Europe.

In a move that surprised markets, Mario Draghi, the new President of the European Central Bank, announced a 25 basis point cut to their key policy rate, which now sits at 1.25%. This cut marks an acknowledgement of the worsening growth prospects for the Eurozone and could signal a less hawkish inflation stance by the ECB.

Current Economic Indicators

Population	2009	2010	2011YTD*	May	June	July	Aug	Sep	Oct
Population ¹ (000's) (level)	3,672	3,721	3,779	--	--	3,779	--	--	--
% change	2.2	1.3	1.6	--	--	1.6	--	--	--
Net Interprovincial Migration ¹ (level)	13,184	-2,183	13,660	--	--	4,720	--	--	--
Net International Migration ¹ (level)	16,835	21,533	22,081	--	--	7,080	--	--	--
Net Non-permanent Residents ¹ (level)	19,162	-77	-7,988	--	--	1,233	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,086	2,069	2,091	2,103	2,110	2,118	2,126
% change	-1.3	-0.4	3.5	2.8	3.5	3.8	4.2	4.8	4.3
Unemployment Rate (%)	6.6	6.5	5.6	5.4	5.6	5.5	5.6	5.4	5.1
Participation Rate (%)	74.3	72.9	73.6	72.9	73.7	73.9	74.1	74.2	74.1
Average Weekly Earnings (\$)	950.01	993.13	1033.20	1035.77	1038.46	1026.42	1045.24	--	--
% change	2.8	4.5	4.7	4.8	4.7	2.6	4.4	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.2	2.8	2.1	1.9	2.9	2.8	--
Excluding food and energy	1.4	0.8	0.7	0.8	0.2	0.4	0.8	1.4	--
Non-Res. Building Cons. Price Index ²	-9.8	-0.1	3.1	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	16.7	12.8	15.9	14.7	10.7	--	--
Crops	-18.9	-14.5	19.0	23.6	22.4	20.2	9.2	--	--
Livestock	-2.8	5.7	16.6	10.9	13.4	13.2	14.2	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	23.9	25.2	23.7	25.6	31.2	24.9	--
% change	-31.6	33.5	-15.2	-14.9	-11.6	-12.6	32.8	-9.8	--
New Housing Price Index	-9.0	0.5	0.4	0.3	0.3	0.1	0.2	--	--
Edmonton	-11.2	-0.8	0.9	0.7	1.2	1.1	0.9	--	--
Calgary	-6.7	1.7	-0.1	0.0	-0.3	-0.8	-0.5	--	--
MLS Average Resale Prices (\$ 000's)	340.5	350.9	354.9	351.7	351.7	353.6	356.9	362.8	--
% change	-3.1	3.1	0.5	-2.4	-1.3	0.4	2.4	2.1	--
Edmonton	319.1	326.5	324.6	322.7	322.6	326.1	325.5	333.1	--
% change	-3.5	2.3	-1.6	-3.0	-1.8	0.0	-1.3	1.7	--
Calgary	384.3	397.4	402.4	403.7	399.3	399.2	405.7	409.8	--
% change	-4.2	3.4	0.7	-1.3	-2.3	-0.9	3.6	-0.1	--
Retail Sales	-8.3	6.0	6.1	8.0	7.6	6.4	6.4	--	--
New Motor Vehicle Sales	-21.7	9.3	7.7	6.9	16.9	6.1	4.3	--	--
Consumer Bankruptcies	9,986	8,150	4,334	617	649	534	--	--	--
% change	64.6	-18.4	-11.9	-8.2	-16.6	-14.7	--	--	--
Business Sector									
Rigs Drilling	128	207	276	84	150	240	323	346	335
% change	-45.6	61.3	42.2	50.4	26.9	20.8	45.4	95.5	28.7
Goods Exports (customs based)	-36.6	12.4	13.3	13.3	14.9	19.4	30.6	--	--
Energy	-40.2	17.2	13.9	15.8	14.8	23.5	33.7	--	--
Agriculture	-12.3	-14.4	5.7	3.8	-0.2	8.3	6.7	--	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.9	--	--	--	--	--	--
Manufacturing Shipments	-23.7	11.0	16.2	16.7	16.0	15.1	15.6	--	--
Wholesale Trade	-15.9	10.8	14.4	17.2	18.1	15.4	13.4	--	--
Building Permits	-14.2	2.1	6.8	11.7	-14.9	17.4	39.4	28.2	--
Residential	-11.8	24.7	-2.4	-10.2	-3.6	9.5	29.0	33.4	--
Non-residential	-16.3	-19.0	20.2	51.9	-26.1	30.3	53.0	21.3	--
Business Bankruptcies	405	378	148	22	16	15	--	--	--
% change	-9.4	-6.7	-34.8	-37.1	-30.4	-44.4	--	--	--

Government of Alberta ■

Finance

Alberta ■

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

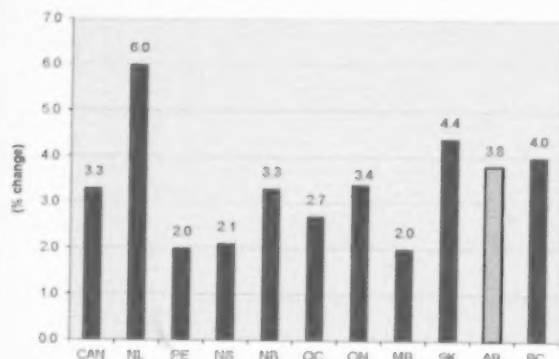
¹ Quarterly; annual numbers are presented on a census year basis (July 1-June 30).

² Quarterly, average of Calgary and Edmonton

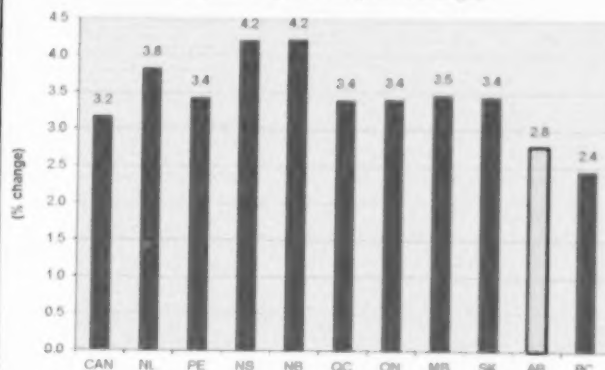
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province

2010 Real GDP Growth by Province
(preliminary estimate, GDP by industry)

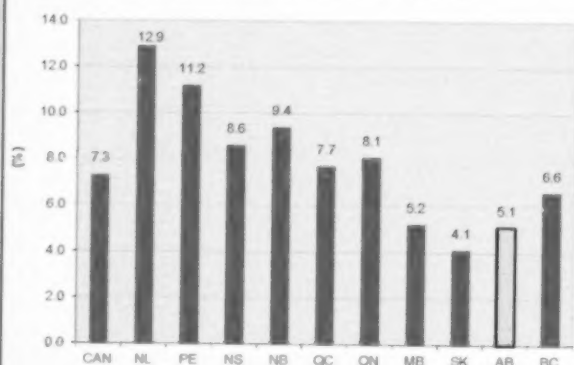


CPI Inflation
(September year-over-year % change)



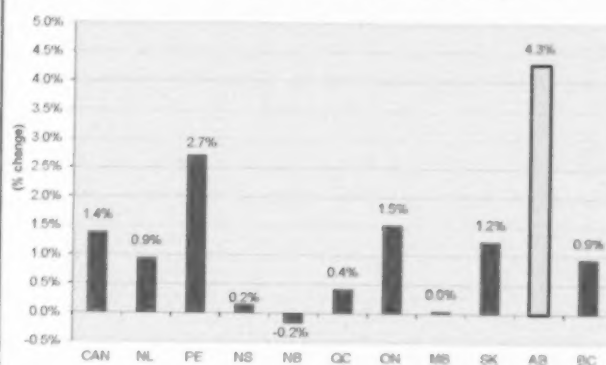
NEW!

Unemployment Rate
(September 2011, Seasonally Adjusted)

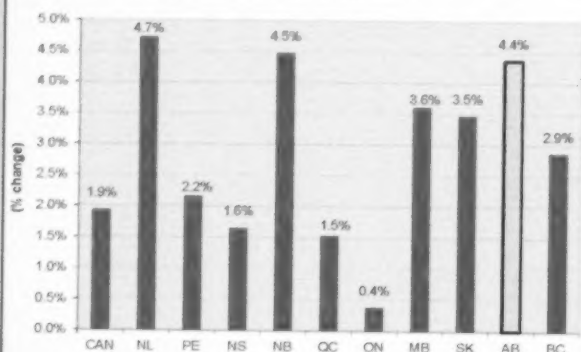


NEW!

Employment
(September 2011, SA year-over-year growth)



Average Weekly Earnings
(August year-over-year growth)



Housing Starts
(SAAR August 2011)

